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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 02/21/07

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Articles:

1) Cheney, Abe to reconfirm importance of Japan-US alliance today

TOKYO SHIMBUN (Page 2) (Full)
February 21, 2007

US Vice President Dick Cheney arrived in Japan yesterday afternoon. He is scheduled to meet separately with Prime Minister Shinzo Abe and Finance Minister Taro Aso this afternoon to discuss the two countries' responses to the situations in North Korea, Iraq, and Iran and to reconfirm the importance of the Japan-US alliance.

Abe is likely to urge the US to base the removal of North Korea from its list of nations sponsoring terrorism on progress on the abduction issue, as was agreed upon in the latest six-party talks. The prime minister is also expected to express support for America's new Iraq policy featuring a plan to send additional over 20,000 troops to that country.

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Ahead of his meetings with Japanese leaders, Cheney will visit the US Naval Base at Yokosuka and meet senior Self-Defense Force officers, as well. However, a meeting with Defense Minister Fumio Kyuma, who has criticized the US on the Iraq war, has not been set up due to difficulty in coordinating schedules.

Cheney will have an audience with the Emperor and Empress today. Tomorrow, he will meet Shigeru and Sakie Yokota, the parents of abductee Megumi Yokota, at the US Ambassador's Residence in Tokyo before leaving for Australia.

2) Abe to play up close Japan-US ties

TOKYO SHIMBUN (Page 2) (Abridged)
February 21, 2007

Of all the US government officials who visited Japan since the establishment of the Abe administration, Vice President Cheney is the highest ranking. Although Japan-US relations appear good on the surface, concerns have grown recently over how closely the two countries are aligned on such issues as North Korea. This can explain why Prime Minister Shinzo Abe intends to play up the closeness of ties between the two countries in his meeting with Cheney today, brushing aside apprehensions at home and abroad.

In the recent six-party talks on the North Korea nuclear issue, the US, which had been pursuing a thoroughly hard-line stance, suddenly switched "soft-line stance," according to a senior Foreign Ministry official, and agreed to policy line of dialogue with the DRPK.

This has prompted some Liberal Democratic Party members, including former secretary general Koichi Kato, who pointed out, "The US is rushing toward the goal of scrapping nuclear programs without consideration for Japan," to see an emerging difference in stances between the US and Japan, which intends to continue applying pressure on the North.

Defense Minister Fumio Kyuma's criticism of the US over the Iraq war in particular has also increased tensions between Tokyo and Washington. In fact, Cheney has opted not to see Kyuma, the official directly responsible for the SDF mission in Iraq, during his stay in Japan.

A diplomatic source has identified the Abe-Cheney meeting today as a venue to remove the sources of concern once and for all and to confirm the overall direction (of Japan-US relations). The meeting with Cheney will be a good chance for Abe, who has been hit by a plummeting support rate, to score points on the diplomatic front.

However, there is a new development, for the US Congress is now considering a resolution seeking a formal apology from the Japanese government on the World War II military comfort women (sex-slave) issue.

3) US Vice President Cheney to confirm Japan-US-Australia cooperation

YOMIURI (Page 2) (Full)
February 21, 2007

US Vice President Dick Cheney arrived in Japan yesterday. In his meetings with Prime Minister Shinzo Abe, Foreign Minister Taro Aso

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and other Japanese government officials, he will reaffirm the importance of the Japan-US alliance, as well as the need for strengthening cooperation between Japan, the United States and Australia in the Asia-Pacific region. He is also expected to confirm with the Japanese officials close bilateral cooperation to resolve North Korea's nuclear programs. He plans to meet tomorrow the parents of Megumi Yokota, who was abducted by North Korean agents decades ago, to convey to them that there is no change in the Bush administration's stance of placing importance on the abduction issue. He will leave Japan tomorrow for Australia.

Cheney is now visiting Japan taking advantage of the recess of the US Congress. The purpose of his visits to Japan and Australia is to strengthen trilateral cooperation. In his meeting with Abe, the vice president intends to stress the US position of keeping the relationship of trust built by President George W. Bush and former Prime Minister Junichiro Koizumi.

Cheney will hold meetings with Chief Cabinet Secretary Yasuhisa Shiozaki and Foreign Minister Aso. He plans to tour the US Yokosuka Naval Base, but he has no plan to meet with Defense Minister Fumio Kyuma because of "Kyuma's remarks critical of the US government regarding the Iraqi war" sources said.

The vice president, however, has suddenly decided to meet the Yokota family. According to government officials, at the request of the Yokotas, the Japanese government sounded out the US side and through the good offices of US Ambassador to Japan Thomas Schieffer, and the meeting between Cheney and the Yokotas has been set for tomorrow morning.

At the latest round of the six-party talks, the US government agreed to begin the process of removing North Korea from its designation as a terror-sponsoring state. In Japan, therefore, there is growing concern that the Bush administration might have changed its stance toward the abduction issue. So the Japanese and US governments aim to erase such concern through a meeting between Cheney and the Yokotas.

4) Tensei Jingo (Vox Populi, Vox Dei): Polls and the Cheney visit

ASAHI (Page 1) (Full)
February 21, 2007

Public opinion surveys show the direction and intensity of the wind blowing in the political world. The wind is now blowing harder against the Abe cabinet, we found from our newspaper's latest survey.

The Abe cabinet's support rate was 37%, but the nonsupport rate was higher at 40%. The prime minister's disapproval rating topped its approval rating for the first time. "First of all, I will explain my policies clearly and will carry them out. By doing so, I'd like to gain public confidence." This comment came from the prime minister.

He seems to be thinking of responding to the criticism that his policies are "invisible." However, his lack of explanations does not seem to be the only reason why he is being buffeted by the wind.

The Abe cabinet started with a tailwind that had been blowing for the Koizumi cabinet in its closing days. That tailwind was not a strong, favorable wind like the one we saw previously. The wind soon began blowing hard in a different direction, and is still blowing up

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a storm.

The prime minister's leadership is weak. One of his cabinet ministers has resigned over a scandal. Another cabinet minister made an inappropriate remark. There are various factors that caused a gale force to blow against the Abe cabinet. One of these factors might be the prime minister's taking over of the Koizumi cabinet's support for the Iraq war.

In the United States, the House of Representatives adopted a resolution against President Bush's decision to send reinforcements to Iraq. In the Abe cabinet, the defense minister said that the decision by the United States to launch the Iraq war was a mistake. In our latest poll as well, 57% agreed with the defense minister, but only 26% did not. As seen from these figures, affirmative opinions overwhelmed negative ones.

US Vice President Cheney arrived in Japan yesterday. "Terrorists would say the Americans have no fighting spirit. That's the biggest threat." With this, the vice president was quoted as expressing his irritation at the emergence in the United States of arguments for troop pullout from Iraq. The Koizumi cabinet followed the United States. Allies sometimes say bitter things to each other. That is the way allies are. We wonder if the Abe government can do the same -- in other words, to say something that may change the direction of the wind in the future.

5) No prospects in sight for settlement of abduction issue at Japan-North Korea working group

ASAHI (Page 7) (Excerpts)
February 21, 2007

The consensus document adopted at the six-party talks calls for creating a working group on normalization of diplomatic ties between Japan and North Korea. The Japanese government intends to put the abduction issue high on the agenda. North Korea, however, has refused to respond to Japan's suggestion. The North is believed to be aiming to underscore the impression that Japan alone stays behind in diplomacy toward North Korea, given the progress in the six-party talks and bilateral dialogue between the United States and the North.

Japan and North Korea created a forum in February of last year for talks on the abduction issue, North Korea's nuclear and missile programs, and the normalization of diplomatic ties. But the forum has been up in the air since both sides crashed head-on over the remains handed over to Japan by Pyongyang, which claimed they were those of abductee Megumi Yokota. By setting up a working group, Japan and North Korea will make a new start.

The Japanese government aims to include the abduction issue in the framework of the six-party talks, "in a bid to make the task of resolving the abduction issue a pledge with the international community," according to a senior Foreign Ministry official. On Feb.19 in the Foreign Ministry, Administrative Vice Minister Shotaro Yachi, Asian and Oceanian Affairs Bureau Director General Kenichiro Sasae and other senior members met to discuss what approach Japan should take in the working group. Some participants stressed the need to push ahead with negotiations on the abduction and normalization issues simultaneously.

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According to the Foreign Ministry, Japan is carrying out coordination with the North on the date, place and responsible officials for the first session of the working group through the Japanese Embassy in Beijing. Those cited as negotiators include Ambassador for Japan-North Korea Normalization Talks Koichi Haraguchi, who represented Japan in the comprehensive talks with the North Korea, and Asian and Oceanian Affairs Bureau Deputy Director General Junichi Ihara. But no definite decision has been made yet.

The dominant view in the Japanese government is that North Korea might have agreed on establishing a working group on Japan-North Korea relations only with the aim of moving the six-party talks forward and have no intention to produce results there. Only general arguments would be exchanged in the talks.

The North Korean Foreign Ministry denounced Prime Minister Abe in a press statement on Feb. 19. According to the Radio Press, the North issued such a statement for the first time since January 2005. Japanese observers had believed that the Japan Section in the North Korean Foreign Ministry was eager for dialogue with Japan, but the North has indicated a tough stance toward Japan.

A source familiar with North Korea categorically said in regard to the abduction issue: "The North Korean leader met the Japanese prime minister twice. We have no intention of making more concessions." Among North Korean residents in Japan, there is strong dissatisfaction with the Abe administration. Given this, the North Korean side might call on Japan to remove its own sanctions.

Even so, once progress is made in the six-party talks, the North is likely to devote itself to promoting relations with the US and South Korea first and then to make an approach to Japan. Some observers take the view that the North Korean government invited the Liberal Democratic Party's Security Research Council Chairman Taku Yamasaki to Pyongyang in January stemming from a desire to promote relations with Japan, though it does not want to negotiate with the Abe administration.

6) Poll: 79% see no hope for solution to North Korea's nukes

YOMIURI (Page 2) (Full)
February 21, 2007

Although the recent six-party talks over the issue of North Korea's nuclear weapons programs have now reached an agreement, a total of 79% in Japan think that they cannot expect this problem to be resolved, the Yomiuri Shimbun found from its face-to-face nationwide public opinion survey conducted Feb. 17-18. Meanwhile, a total of 18% said they could.

The Japanese public's distrust of North Korea seems extremely deep-seated. For one thing, North Korea continued its nuclear development programs even while receiving energy aid under the Agreed Framework of 1994 between the United States and North Korea. For another, North Korea has been insincere about the issue of Japanese nationals abducted to North Korea.

However, the six parties adopted a joint statement. Public opinion was therefore split over the six-party talks on the whole, with a total of 47% saying they appreciated the talks and a total of 46% saying they did not.

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Meanwhile, the Japanese government, in its policy toward North Korea, takes the position that Japan will not provide economy or energy aid to North Korea as long as there is no progress in the abduction issue. In the survey, respondents were asked if they supported this policy stance. In response to this question, a total of 81% answered "yes," with a total of 16% saying "no."

The six-party talks this time agreed to set up working groups, including one on the normalization of diplomatic relations between Japan and North Korea. In the survey, respondents were asked if they could expect the abduction issue to be resolved with this working group being set up. In response, 71% answered "no," with 24% saying

"yes."

Questions & Answers
(Figures shown in percentage)

Q: Recently, the six-party talks over North Korea's nuclear weapons programs were held. In the talks this time, the six parties agreed that North Korea would halt one of its nuclear facilities within 60 days and would accept international oversight for fuel oil amounting to 50,000 tons in aid. Furthermore, the six-party talks also agreed that North Korea would be provided with additional fuel oil amounting to 950,000 tons if North Korea deactivates all its nuclear facilities. Do you expect the issue of North Korea's nuclear weapons programs to be resolved with the agreement reached this time?

Yes	4.1
Yes to a certain degree	14.0
No to a certain degree	27.3
No	51.5
No answer (N/A)	3.1

Q: The Japanese government will not provide North Korea with economic or energy aid as long as there is no progress in the issue of Japanese nationals abducted to North Korea. Do you support this policy?

Yes	56.8
Yes to a certain degree	24.0
No to a certain degree	9.1
No	7.3
N/A	2.8

Q: In the talks this time, the six parties agreed to set up a working group within 30 days on the normalization of diplomatic relations between Japan and North Korea. Do you expect the issue of Japanese abductees to be resolved with this working group being set up?

Yes	7.1
Yes to a certain degree	16.8
No to a certain degree	31.6
No	39.8
N/A	4.7

Q: Do you appreciate the results of the six-party talks on the whole?

Yes	13.5
Yes to a certain degree	32.7
No to a certain degree	26.7

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No	20.1
N/A	7.0

Polling methodology

Date of survey: Feb. 17-18.

Subjects of survey: 3,000 persons chosen from among all eligible voters throughout the country (at 250 locations on a stratified two-stage random sampling basis).

Method of implementation: Door-to-door visits for face-to-face interviews.

Number of valid respondents: 1,739 persons (58.0%).

7) Japan should join aid to North Korea to have it scrap nuclear programs

MAINICHI (Page 5) (Full)
February 21, 2007

Former DPJ President Seiji Maehara

The (North Korean) nuclear issue is extremely serious in view of Japan's security and national interests. Japan is the most likely target of a nuclear attack by North Korea. We must take it as a vital issue. Japan has insisted that it will not offer aid without a

settlement of the abduction issue even if the North makes a concession on the nuclear issue. This stance violates the national interests from a broad point of view.

The abduction issue naturally has to be resolved as soon as possible since it is an extremely serious problem. But Prime Minister Shinzo Abe set the hurdle to aid to North Korea too high. Japan has also applied its stance of neither normalizing diplomatic ties nor offering economic assistance without a complete settlement of the abduction issue to multilateral aid. As a result, Japan's options have decreased, and its diplomatic bargaining capability has been undermined.

Japan should join the framework of cooperation under the context of the six-party talks and urge North Korea to scrap its nuclear weapons and programs. This approach will enable Japan to hold sway in negotiations and also to make strong assertions in bilateral talks with the North. Japan will be able to say in bilateral talks, "If the abduction issue is not settled, it will be impossible for Japan to normalize diplomatic ties with North Korea and to offer bilateral economic aid."

Should Japan provide no assistance when other six-party members have joined hands in having the North disband its nuclear programs, the presence of Japan in the six-party talks might diminish since it will be unable to take the initiative in resolving the nuclear issue. North Korea might think that there will be no problem as long as it gets along well with the other countries.

The US has said it understands Japan's stance. But if Japan, citing the abduction issue as the main reason, continues to refuse the use of the card to solicit concessions from North Korea, the US may feel dissatisfied with Japan. The US might begin to discuss measures to settle the nuclear issue with countries other than Japan.

In order to persuade North Korea to dismantle its nuclear weapons and programs, it is necessary to take a strategic approach.

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8) Prime Minister Abe tells families of abductees "Abduction issue will not be left behind"

TOKYO SHIMBUN (Page 2) (Full)
February 21, 2007

Prime Minister Shinzo Abe met yesterday afternoon with Shigeru Yokota, representative of the families of victims of kidnapped by North Korea, and other members of the association at the Prime Minister's Official Residence. Abe briefed them on such matters as his government's policy stance at the Japan-North Korea working group, the establishment of which was decided at the latest round of the six-party talks on North Korea's nuclear programs.

Abe pointed out the achievements of the six-party talks, saying:

"It is significant that the six countries within the framework of the talks confirmed that they would promote in tandem the process of normalizing diplomatic ties between Japan and North Korea and the goal of denuclearizing North Korea. This is the first step for resolving the abduction issue as well."

Abe then stressed: "Japan-North Korea negotiations will not left behind (other negotiations)."

Representative Yokota stated his appreciation for the Japanese government's efforts, noting, "I'm confident that Japan was able to obtain understanding from other countries for its position that it will not offer aid to North Korea unless the abduction issue is resolved."

Referring to the government's policy of not provide energy assistance to North Korea as long as there is no progress on the abduction issue, Abe stated: "Japan will make a decision on whether there is progress on the abduction issue."

With Taku Yamasaki, former vice president of the ruling Liberal Democratic Party (LDP), who is negative about the government's policy, in mind, Teruaki Masumoto, chief of secretariat of the families of victims of kidnapped by North Korea, said: "I am concerned that the Japanese side has not been working together on this issue."

9) Prime Minister Abe thanks US singer for making song for abductee Megumi Yokota

TOKYO SHIMBUN (Page 2) (Full)
February 21, 2007

Prime Minister Shinzo Abe met last night US folk singer Paul Stookey, who wrote "Song For Megumi" dedicated to Yokota Megumi, a Japanese abductee to North Korea, and listened to the song along with the parents of Megumi and the family members of other abductees at the Prime Minister's Official Residence.

Abe expressed his thanks to Stookey, saying, "Your song really encourages us." The singer then said, "I would like to spread the circle of support for the abductees through this song."

Abe then told reporters: "The song says that we miss you. I want to resolve the issue as early as possible so that Mr. and Mrs. Yokota will be able to reunited with their daughter Megumi." He expressed

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anew his willingness to resolve the issue.

10) SDF personnel to be dispatched to Nepal: Government decide to take part in UNMIN

TOKYO SHIMBUN (Page 3) (Full)
February 21, 2007

The government yesterday decided to dispatch several (up to six) unarmed Self-Defense Forces' (SDF) personnel to the United Nations Political Mission in Nepal (UNMIN) in compliance with the UN Peacekeeping Operations Cooperation Law. Chief Cabinet Secretary Yasuhisa Shiozaki revealed the decision at a press conference. This will be the first SDF mission abroad since international peace cooperation activities have become part of their main duties following the inauguration of the Defense Ministry.

Following the government decision, Defense Minister Kyuma ordered Joint Staff Council Chairman Takashi Saito to select personnel to be dispatched and collect information on that nation. The dispatch will likely take place in mid-March or after. The dispatched SDF personnel will be in charge of monitoring disarmed soldiers and weapons. Shiozaki during the press conference underscored, "It is meaningful for SDF personnel to take part in international efforts."

11) Government, utility companies to relegate uranium enrichment to Russia: Will aim at reaching agreement this summer

YOMIURI (Top Play) (Excerpts)
February 21, 2007

It was learned yesterday that the government and domestic utility companies have entered final talks with Russia in order to relegate uranium enrichment for the use at nuclear power facilities to Atomenergoprom (Atomprom), a nation's state-owned nuclear monopoly. The first commission is the enrichment of uranium recovered from used nuclear fuels at nuclear power plants and stored in Britain. The plan is to entrust the enrichment of natural uranium produced at mines in Russia and Kazakhstan, for which Japan has obtained stakes. The governments of Japan and Russia will aim at reaching an agreement in outline at a summit-level meeting by the summer. Tokyo and Moscow will also proceed with talks on the signing of a nuclear non-proliferation agreement, the premise for the uranium enrichment commission.

Since Japan has its Three No-nuclear Principles, it is cautious about undertaking uranium enrichment, which can be converted for the

development of nuclear weapons. It hardly undertakes uranium enrichment operations within Japan.

Power companies have commissioned the enrichment of recovered uranium to Britain and France. However, the enrichment of recovered uranium has made little progress due to high costs involved. The amount of recovered uranium stored in those countries has increased to 6,400 tons. Britain has asked Japan to take back the material. Japan was therefore looking for a country that can enrich its uranium for it.

According to informed sources, the Japanese government and power companies sounded out Russia, which has the world's largest enrichment facilities, about that possibility two years ago. Since

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Russia indicated an intention to do the job, behind-the-scenes talks have been continued. Tokyo and Moscow have already finished basic coordination of views. The US government has reportedly conveyed its approval of the matter to Russia.

12) TOPIX temporarily marks 15-year high, boosted by hopes for corporate reorganization

ASAHI (Page 2) (Full)
February 21, 2007

Tokyo stocks yesterday hit a 15-year high with the Tokyo Stock Price Index (TOPIX) reflecting the moves of all first-section issues at the Tokyo Stock Exchange (TSE) temporarily soaring to 1784.20 points. Buying orders poured in encouraged by the global high stock prices and upbeat corporate performances. The day's trading closed at 1782.73 points, up 2.77 points.

Japan's stock markets are increasingly showing an upward trend in the longest expansionary phase since the war. With hopes raised for corporate reorganization, including mergers and acquisitions (M&As), the TSE is attracting brisk buying orders from foreign investors. According to the price trend in January (combining the movements at the TSE, Osaka Stock Exchange and Nagoya Stock Exchange) tallied by the TSE, the value of stocks purchased by foreign investors registered a record high of 25.52 trillion yen.

Personal money is also flowing into the stock market with individual investors jumping on the bandwagon of a shift from savings to investment, as can be seen in the fact that the outstanding asset balance of investment trust funds as of the end of January topped 70 trillion yen for the first time in history.

TOPIX last spring surpassed the highest mark registered during the IT bubble in 2000. However, TOPIX dropped in reaction to individual investors' increasing distrust in the stock market in the wake of the order given to Chuo-Aoyama Audit Corporation (now Misuzu Audit Corporation) to suspend business and the arrest of Yoshiaki Murakami of Murakami Fund. It took an upward turn late last year.

13) Koizumi teaches Abe administration importance of thick skin

TOKYO SHIMBUN (Page 2) (Full)
February 21, 2007

"The support rate rises and falls. Don't pay much attention to it. You should not take a short view of things. Having thick skin is important."

Meeting Chief Cabinet Secretary Yasuhisa Shiozaki and others in the Diet building yesterday, former Prime Minister Junichiro Koizumi gave these words of encouragement to the Abe administration.

Koizumi stopped by at the LDP office in the Diet building at the request of Secretary General Hidenao Nakagawa. To Shiozaki, who has been under fire, Koizumi gave this advice:

"There are all sorts of opinions in the LDP, and there is no need to forge a convergence of opinion. In order to realize postal privatization, I had to fight with the forces of resistance. Reform

is never over. People think that you have given too much consideration to the forces of resistance, and that's why the reform

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image has backed down. Why don't you say clearly that there are disparities in the country? That's why the opposition parties are criticizing you."

Prime Minister Abe said to reporters last night: "Those words are characteristic of Mr. Koizumi. I think I need to have thick skin."

14) Ozawa reveals details of office expenses, including 1 billion yen spent on acquiring real estate property, denies using it for own benefit

TOKYO SHIMBUN (Top Play) (Lead paragraph)
February 21,

In a press conference at the Diet Building yesterday afternoon, Minshuto (Democratic Party of Japan) President Ichiro Ozawa released a breakdown of office expenses that his political fund management group listed between 2003 and 2005, as well as related documents. The group owns 12 properties in Tokyo, Iwate, Sendai and other areas. According to its political funds reports, the money spent on acquiring the properties totals about 1.019 billion yen. Ozawa stressed that he has not used the real estate for his own personal benefit.

SCHIEFFER